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E.O. 12958: N/A

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SUBJECT: ADDITIONAL DESIGNATIONS OF IRANIAN ENTITIES UNDER
E.O. 13382

¶1. (U) This is an action request. Please see paragraph 2.

OBJECTIVES

¶2. (SBU) Washington requests that addressees notify host government officials that the United States has designated four additional Iranian entities and two individuals under E.O. 13382 ("Blocking the Property of Weapons of Mass Destruction Proliferators and their Supporters"). These designations are aimed at implementing USG UNSCR 1737 and 1747 obligations, as well as protecting the U.S. financial system from financial activity supporting ongoing proliferation facilitated by the Atomic Energy Organization of Iran (AEOI) and the Aerospace Industries Organization (AIO). Addressees are requested to provide the non-paper in paragraph 4 to host government officials.

REPORTING DEADLINE

¶3. (U) Please report delivery of the U.S. non-paper and any immediate response by June 29, 2007. Please slug replies for ISN, T, TREASURY, EUR, EAP and NEA. Please use SIPDIS caption on all responses.

BACKGROUND/NONPAPER

¶4. (U) Begin text of background/non-paper for EU, UK, FRANCE, GERMANY, ITALY, AUSTRIA, BELGIUM, BULGARIA, CANADA, CYPRUS, CZECH REPUBLIC, DENMARK, ESTONIA, FINLAND, GREECE, HUNGARY, INDONESIA, IRELAND, LATVIA, LITHUANIA, LUXEMBOURG, MALTA, NETHERLANDS, NEW ZEALAND, PANAMA, POLAND, PORTUGAL, ROMANIA, SLOVAKIA, SLOVENIA, SPAIN, SWEDEN, JAPAN, CHINA, and RUSSIA:

The U.S. would like to inform your government that the U.S. Treasury Department has designated four additional entities and two individuals pursuant to Executive Order (E.O.) 13382 ("Blocking the Property of Weapons of Mass Destruction

Proliferators and their Supporters"), an authority aimed at freezing the assets of proliferators of weapons of mass destruction and their supporters and at prohibiting transactions and trade between those designated entities and banks in U.S. jurisdiction.

The following names have been added to Treasury's Office of Foreign Assets Control (OFAC) list of Specially Designated Nationals and Blocked Persons ("SDN list") and published in the Federal Register pursuant to Executive Order 13382.

¶1. PARS TRASH COMPANY (a.k.a. PARS TRASH; a.k.a. PARS TERASH; a.k.a. PARS TARASH), 33 Fifteenth (15th) Street, Seyed-Jamal-Eddin-Assad Abadi Avenue, Tehran, Iran

¶2. FARAYAND TECHNIQUE (a.k.a. FARAYAND TECHNIC), End of North Karegar Avenue, Shomali, Tehran, Iran; P.O. Box 14155-1339, Tehran, Iran; Esfahan, Iran; Isfahan, Iran

¶3. MOHAMMAD QANNADI(a.k.a. MOHAMMAD GHANNADI MARAGHEH; ; a.k.a. MOHAMMAD GHANNADI; a.k.a. MOHAMMAD QANNADI MARAGHEH; , c/o ATOMIC ENERGY ORGANIZATION OF IRAN; DOB 13 October, 1952; POB Maragheh, Iran; citizen Iran; nationality Iran; Passport 20694 (Iran); Alternate Passport A0003044 (Iran)

¶4. ALI HAJINIA LEILABADI (a.k.a. ALI HADJINA LAILABADI), c/o MESBAH ENERGY COMPANY, Tehran, Iran; DOB 19 February 1950; POB Tabriz, Iran; citizen Iran; Nationality Iran; Passport E4710151 (Iran) issued 15 Oct 2000 expires 15 Oct 2005

¶5. FAJR INDUSTRIES GROUP (a.k.a. INSTRUMENTATION FACTORY PLANT; a.k.a. IFP; a.k.a. FADJR INDUSTRIES GROUP; a.k.a. INSTRUMENTATION FACTORIES OF PRECISION MACHINERY; a.k.a. INDUSTRIAL FACTORIES OF PRECISION-MACHINERY; a.k.a. MOJTAME SANTY AJZAE DAGHIGH; a.k.a. NASR INDUSTRIES GROUP), P.O. Box 1985-777; Tehran, Iran

¶6. MIZAN MACHINE MANUFACTURING GROUP (a.k.a. 3MG), P.O. Box 16795-34365, Tehran, Iran

In June 2005, President Bush designated the Atomic Energy Organization of Iran (AEOI) and the Aerospace Industries Organization (AIO) in the Annex to Executive Order 13382 ("Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters").

Pars Trash Company and Farayand Technique were designated on June 8, 2007 pursuant to E.O. 13382 because they are owned or controlled by, or act or purport to act for or on behalf of AEOI and/or the Kalaye Electric Company, an AEOI subsidiary also designated under E.O. 13382.

The AEOI and Kalaye were both named in the Annex to UNSCR 1737 for their involvement in Iran's nuclear program.

Pars Trash Company and Farayand Technique were also listed in the Annex to UNSCR 1737, issued on December 23, 2006, for their involvement in Iran's centrifuge program and identification in reports of the International Atomic Energy Organization (IAEA).

According to IAEA reports, Iran disclosed the existence of these two entities in October of 2003 and indicated that they were involved in the domestic production of centrifuge components. In January 2004, it was revealed to the IAEA that Pars Trash and Farayand were subsidiaries of the Kalaye Electric Company, an AEOI subsidiary.

According to the IAEA, Farayand Technique has had a number of different roles in Iran's centrifuge enrichment program. Farayand Technique performs quality control on components used at the uranium enrichment facility at Natanz. Farayand Technique also has capabilities suitable for the testing and assembly of centrifuges.

The Pars Trash Company has been identified by the IAEA as a site used by Natanz and the Kalaye Electric company to store

centrifuge equipment.

Mohammad Qannadi was designated on June 15, 2007 pursuant to E.O. 13382 he acts or purports to act for or on behalf of the AEOI. Ali Hajinia Leilabadi was designated on June 15, 2007, because he acts or purports to act for or on behalf of the Mesbah Energy Company, an AEOI subsidiary.

Mohammad Maraghe Ghannadi is AEOI's Vice President for research and development and is also named in the Annex to UNSCR 1737, together with Ali Hajinia Leilabadi, who is identified by the UN as being the Director General of the Mesbah Energy Company. The Mesbah Energy Company, an AEOI front company used to procure products for Iran's heavy water project, was designated under E.O. 13382 in January 2006. The Mesbah Energy Company is identified in the Annex to UNSCR 1737 as being a provider for the A40 research reactor at Arak. In August 2006, Ghannadi and Leilabadi were among 14 Iranian nuclear scientists recognized by the Iranian president and awarded medals for their research and management activities.

Fajr Industries Group was designated on June 8, 2007 pursuant to E.O. 13382 because it is subordinate to the AIO and involved in the production and acquisition of precision equipment for missile guidance and control systems. Fajr has consistently procured a wide range of missile guidance and control equipment on behalf of the AIO over the years. Since the late 1990s, Fajr has purchased high strength steel alloy, useful for guidance equipment in ballistic missiles and missile related technology/items.

Fajr Industries Group was also recently identified in the Annex to UNSCR 1737 for its involvement in Iran's ballistic missile program.

Mizan Machine Manufacturing Group was designated on June 8, 2007 pursuant to Executive Order 13382, because it is owned or controlled by, or acts or purports to act for or on behalf of the AIO and the Shahid Hemmat Industries Group (SHIG), which is also designated under E.O. 13382.

Mizan Machine Manufacturing Group is one of several front companies utilized by the AIO in commercial transactions. In particular, Mizan Machine Manufacturing Group has been used by the AIO to acquire sensitive material for Iran's ballistic missile program. For example, in April 2005, Mizan purchased a state-of-the-art crane for Iran's weapons program. An investigation of this transaction determined the crane was probably intended for use in Iran's Shahab missile program. Cranes can be used to support missiles, like the Shahab, in the field or at storage facilities. Also in 2005, Mizan was connected to the acquisition of equipment, on behalf of SHIG, that could be used to calibrate guidance and control instruments for more accurate targeting of Iran's ballistic missiles.

(A full list of the entities designated under E.O. 13382 can be found at <http://www.treas.gov/offices/enforcement/ofac/programs/wmd/wmd.pdf>.)

We look forward to working with you on this and other related security matters and are prepared to provide additional assistance as appropriate.

End background/non-paper.

POINT OF CONTACT

¶8. (U) Questions may be directed to ISN/CPI (Michelle New, 202-647-0186, or Anthony Ruggiero, 202-647-5181).
RICE

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End Cable Text